

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 435

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 435, a bill for an Act relating to and making appropriations involving state government entities involved with agriculture, natural resources, and environmental protection, respectfully make the following report:

1. That the Senate recedes from its amendment, H-1371.

2. That the House amendment, S-3178, to Senate File 435, as amended, passed, and reprinted by the Senate, is amended to read as follows:

1. Page 4, after line 9 by inserting:

<DIVISION ____

GENERAL FUND

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

WATER QUALITY

APPROPRIATIONS FOR FY 2013-2014

Sec. ____ . WATER QUALITY INITIATIVE — GENERAL.

1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the water quality initiative fund created in section 466B.45, as enacted by this Act, for purposes of supporting the water quality initiative administered by the soil conservation division as provided in section 466B.42, as enacted by this Act, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

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.....	\$	2,400,000
.....	FTEs	1.00

2. The moneys appropriated in subsection 1 shall be used to support reducing nutrients in subwatersheds as designated by the division that are part of high-priority watersheds identified by the water resources coordinating council established pursuant to section 466B.3. In supporting reducing nutrients in subwatersheds, the division shall establish and administer demonstration projects as follows:

a. The demonstration projects shall utilize water quality practices as described in the latest revision of the document entitled "Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture and land stewardship, the department of natural resources, and Iowa state university of science and technology.

b. The division shall implement demonstration projects as provided in paragraph "a" by providing for participation by persons who hold a legal interest in agricultural land used in farming. To every extent practical, the division shall provide for collaborative participation by such persons who hold a legal interest in agricultural land located within the same subwatershed.

c. The division shall implement a demonstration project on a cost-share basis as determined by the division. However, the state's share of the amount shall not exceed 50 percent of the estimated cost of establishing the practice as determined by the division or 50 percent of the actual cost of establishing the practice, whichever is less.

d. The demonstration projects shall be used to educate other persons about the feasibility and value of establishing similar water quality practices. The division shall promote field day events for purposes of allowing interested persons to establish water quality practices on their agricultural land.

e. The division shall conduct water quality evaluations

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within supported subwatersheds. Within a reasonable period after accumulating information from such evaluations, the division shall create an aggregated database of water quality practices. Any information identifying a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record under section 22.7.

3. The moneys appropriated in subsection 1 shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

4. The moneys appropriated in subsection 1 may be used to contract with persons to coordinate the implementation of efforts provided in this section. Not more than \$150,000 shall be used to support the administration of this section by a full-time equivalent position.

5. Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in subsection 1 in combination with other moneys appropriated to the department from the environment first fund created in section 8.57A for cost sharing to match the United States department of agriculture, natural resources conservation service, wetland reserve enhancement program.

Sec. ____ . IOWA NUTRIENT RESEARCH CENTER.

1. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting an Iowa nutrient research center as established in section 466B.47, as enacted in this Act:
..... \$ 1,500,000

2. Notwithstanding section 8.33, moneys appropriated in

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this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2014.

Sec. ____ . WATER QUALITY INITIATIVE APPROPRIATIONS — FEDERAL MONEYS. The department of agriculture and land stewardship, and its soil conservation division, may use moneys appropriated in this division of this Act to support the water quality initiative, including its projects, as provided in this division of this Act, in combination with other moneys provided by the United States government.

Sec. ____ . WATER QUALITY INITIATIVE — REPORT. The department of agriculture and land stewardship shall prepare a preliminary report and final report regarding its efforts to administer the water quality initiative as provided in this division. Each report shall include information regarding the establishment of water quality practices, including demonstration projects. The department shall deliver the preliminary report to the governor and general assembly not later than January 15, 2014, and shall deliver the final report to the governor and general assembly not later than January 15, 2015. A report shall not identify an individual or specific agricultural land.>

2. Page 7, line 13, by striking <100,000> and inserting <200,000>

3. Page 7, after line 19 by inserting:

<Sec. ____ . LOESS HILLS DEVELOPMENT AND CONSERVATION FUND.

1. There is transferred from the general fund of the state to the loess hills development and conservation fund created in section 161D.2 for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For supporting the purposes of the fund:

..... \$ 75,000

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2. a. Of the amount transferred in subsection 1, \$56,250 shall be allocated to the fund's hungry canyons account.

b. Not more than 10 percent of the moneys allocated to the hungry canyons account as provided in paragraph "a" may be used for administrative costs.

3. a. Of the amount transferred in subsection 1, \$18,750 shall be allocated to the fund's loess hills alliance account.

b. Not more than 10 percent of the moneys allocated to the loess hills alliance account as provided in paragraph "a" may be used for administrative costs.

4. Moneys deposited to the loess hills development and conservation fund and its accounts for the fiscal year are appropriated to the authority to be used as provided by law.>

4. Page 7, line 34, by striking <3,487,636> and inserting <3,762,636>

5. Page 10, by striking lines 37 through 44.

6. Page 11, by striking lines 12 through 19.

7. Page 11, line 35, by striking <6,610,000> and inserting <6,360,000>

8. Page 12, line 4, by striking <1,120,000> and inserting <1,320,000>

9. Page 13, line 6, by striking <12,000,000> and inserting <16,000,000>

10. Page 16, after line 12 by inserting:

<DIVISION ____

GENERAL FUND

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

WATER QUALITY

APPROPRIATIONS FOR FY 2014-2015

Sec. ____ . WATER QUALITY INITIATIVE — GENERAL.

1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be

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used for the purposes designated:

For deposit in the water quality initiative fund created in section 466B.45, as enacted by this Act, for purposes of supporting the water quality initiative administered by the soil conservation division as provided in section 466B.42, as enacted by this Act, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 4,400,000
.....	FTEs 1.00

2. The moneys appropriated in subsection 1 shall be used to support reducing nutrients in subwatersheds as designated by the division that are part of high-priority watersheds identified by the water resources coordinating council established pursuant to section 466B.3. In supporting reducing nutrients in subwatersheds, the division shall establish and administer demonstration projects as follows:

a. The demonstration projects shall utilize water quality practices as described in the latest revision of the document entitled "Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture and land stewardship, the department of natural resources, and Iowa state university of science and technology.

b. The division shall implement demonstration projects as provided in paragraph "a" by providing for participation by persons who hold a legal interest in agricultural land used in farming. To every extent practical, the division shall provide for collaborative participation by such persons who hold a legal interest in agricultural land located within the same subwatershed.

c. The division shall implement a demonstration project on a cost-share basis as determined by the division. However, the state's share of the amount shall not exceed 50 percent of the estimated cost of establishing the practice as determined by

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the division or 50 percent of the actual cost of establishing the practice, whichever is less.

d. The demonstration projects shall be used to educate other persons about the feasibility and value of establishing similar water quality practices. The division shall promote field day events for purposes of allowing interested persons to establish water quality practices on their agricultural land.

e. The division shall conduct water quality evaluations within supported subwatersheds. Within a reasonable period after accumulating information from such evaluations, the division shall create an aggregated database of water quality practices. Any information identifying a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record under section 22.7.

3. The moneys appropriated in subsection 1 shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

4. The moneys appropriated in subsection 1 may be used to contract with persons to coordinate the implementation of efforts provided in this section. Not more than \$150,000 shall be used to support the administration of this section by a full-time equivalent position.

5. Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in subsection 1 in combination with other moneys appropriated to the department from the environment first fund created in section 8.57A for cost sharing to match the United States department of agriculture, natural resources conservation service, wetland reserve enhancement program.

Sec. ____ . IOWA NUTRIENT RESEARCH CENTER.

1. There is appropriated from the general fund of the state

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to Iowa state university of science and technology for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting an Iowa nutrient research center as established in section 466B.47, as enacted in this Act:
..... \$ 750,000

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2015.

Sec. ____ . WATER QUALITY INITIATIVE APPROPRIATIONS — FEDERAL MONEYS. The department of agriculture and land stewardship, and its soil conservation division, may use moneys appropriated in this division of this Act to support the water quality initiative, including its projects, as provided in this division of this Act, in combination with other moneys provided by the United States government.>

11. Page 18, line 44, by striking <50,000> and inserting <100,000>

12. Page 18, after line 50 by inserting:

<Sec. ____ . LOESS HILLS DEVELOPMENT AND CONSERVATION FUND.

1. There is transferred from the general fund of the state to the loess hills development and conservation fund created in section 161D.2 for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For supporting the purposes of the fund:

..... \$ 37,500

2. a. Of the amount transferred in subsection 1, \$28,125 shall be allocated to the fund's hungry canyons account.

b. Not more than 10 percent of the moneys allocated to the hungry canyons account as provided in paragraph "a" may be used

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for administrative costs.

3. a. Of the amount transferred in subsection 1, \$9,375 shall be allocated to the fund's loess hills alliance account.

b. Not more than 10 percent of the moneys allocated to the loess hills alliance account as provided in paragraph "a" may be used for administrative costs.

4. Moneys deposited to the loess hills development and conservation fund and its accounts for the fiscal year are appropriated to the authority to be used as provided by law.>

13. Page 19, line 15, by striking <1,743,818> and inserting <1,881,318>

14. Page 22, by striking lines 14 through 21.

15. Page 22, by striking lines 39 through 46.

16. Page 23, line 12, by striking <2,305,000> and inserting <3,180,000>

17. Page 23, line 31, by striking <560,000> and inserting <660,000>

18. Page 24, by striking lines 18 through 33.

19. Page 24, after line 35 by inserting:

<MANURE MANAGEMENT>

20. Page 24, after line 39 by inserting:

<DIVISION _____

RELATED STATUTORY CHANGES

DNR RADIOS

Sec. _____. 2011 Iowa Acts, chapter 128, section 19, subsection 1, as amended by 2012 Iowa Acts, chapter 1135, section 15, is amended to read as follows:

SEC. 19. USE OF MONEYS — RADIOS.

1. Notwithstanding 2010 Iowa Acts, chapter 1191, section 7, the department of natural resources may use the unappropriated balance remaining in the state fish and game protection fund for the fiscal year beginning July 1, 2010, and ending June 30, 2011, to purchase mobile radios to meet federal and state requirements for homeland security and public safety. This

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section applies to those moneys in the fund that are not otherwise used, obligated, or encumbered for payment of health and life insurance premium payments for conservation peace officer retirements for that fiscal year. The department may use such moneys until June 30, ~~2013~~ 2014.

Sec. ____ . EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION ____
RELATED STATUTORY CHANGES
AGRICULTURAL DRAINAGE WELLS

Sec. ____ . Section 460.303, subsection 3, Code 2013, is amended to read as follows:

3. The Moneys in the fund shall be used are appropriated to support an agricultural drainage well water quality assistance program as provided in section 460.304. Moneys shall be used to provide financial incentives under the program, and to defray expenses by the division in administering the program. However, not more than one percent of the money in the fund is available to defray administrative expenses. The division may adopt rules pursuant to chapter 17A to administer this section.

DIVISION ____
RELATED STATUTORY CHANGES
OUTDOOR RECREATION

Sec. ____ . Section 321G.29, subsection 3, Code 2013, is amended to read as follows:

3. An owner of a snowmobile shall apply to the county recorder for issuance of a certificate of title within thirty days after acquisition. The application shall be on forms the department prescribes and accompanied by the required fee. The application ~~shall be signed and sworn to before a notarial officer as provided in chapter 9B or other person who administers oaths, or~~ shall include a certification signed in writing containing substantially the representation

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that statements made are true and correct to the best of the applicant's knowledge, information, and belief, under penalty of perjury. The application shall contain the date of sale and gross price of the snowmobile or the fair market value if no sale immediately preceded the transfer and any additional information the department requires. If the application is made for a snowmobile last previously registered or titled in another state or foreign country, the application shall contain this information and any other information the department requires.

Sec. _____. Section 321I.31, subsection 3, Code 2013, is amended to read as follows:

3. An owner of an all-terrain vehicle shall apply to the county recorder for issuance of a certificate of title within thirty days after acquisition. The application shall be on forms the department prescribes and accompanied by the required fee. The application ~~shall be signed and sworn to before a notary public as provided in chapter 9B or other person who administers oaths,~~ or shall include a certification signed in writing containing substantially the representation that statements made are true and correct to the best of the applicant's knowledge, information, and belief, under penalty of perjury. The application shall contain the date of sale and gross price of the all-terrain vehicle or the fair market value if no sale immediately preceded the transfer and any additional information the department requires. If the application is made for an all-terrain vehicle last previously registered or titled in another state or foreign country, the application shall contain this information and any other information the department requires.

Sec. _____. REPEAL. Section 461A.3A, Code 2013, is repealed.

DIVISION ____

RELATED STATUTORY CHANGES

WATERSHED PROTECTION

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Sec. _____. Section 466B.2, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. "*Political subdivision*" means a city, county, or soil and water conservation district.

Sec. _____. Section 466B.21, subsection 3, Code 2013, is amended by striking the subsection.

Sec. _____. NEW SECTION. **466B.41 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. "*Center*" means the Iowa nutrient research center established pursuant to section 466B.47.

2. "*Council*" means the Iowa nutrient research center advisory council established pursuant to section 466.48.

3. "*Division*" means the division of soil conservation within the department of agriculture and land stewardship as established in section 161A.4.

4. "*Fund*" means the water quality initiative fund created in section 466B.45.

5. "*Nutrient*" includes nitrogen and phosphorus.

Sec. _____. NEW SECTION. **466B.42 Water quality initiative.**

The division shall establish a water quality initiative in order to assess and reduce nutrients in this state's watersheds, including subwatersheds, and regional watersheds. The division shall establish and administer projects to reduce nutrients in surface waters from nonpoint sources in a scientific, reasonable, and cost-effective manner. The division shall utilize a pragmatic, strategic, and coordinated approach with the goal of accomplishing reductions over time.

Sec. _____. NEW SECTION. **466B.45 Water quality initiative fund.**

1. A water quality initiative fund is created in the state treasury under the management and control of the division.

2. The fund shall include moneys appropriated by the general assembly. The fund may include other moneys available to and

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obtained or accepted by the division, including moneys from public or private sources.

3. Moneys in the fund are appropriated to the division and shall be used exclusively to carry out the provisions of this subchapter as determined by the division, and shall not require further special authorization by the general assembly.

4. *a.* Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

b. Notwithstanding section 8.33, moneys appropriated or otherwise credited to the fund for a fiscal year shall not revert to the fund from which appropriated at the close of the fiscal year for which the appropriation was made but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins three years from the beginning date of the fiscal year for which the appropriation was made.

Sec. ____ . NEW SECTION. **466B.47 Iowa nutrient research center — establishment and purpose.**

1. The state board of regents shall establish and maintain in Ames as part of Iowa state university of science and technology an Iowa nutrient research center.

2. The purpose of the center shall be to pursue a science-based approach to nutrient management research that may include but is not limited to evaluating the performance of current and emerging nutrient management practices, and using an adaptive management framework for providing recommendations for the implementation of nutrient management practices and the development of new nutrient management practices.

3. The center shall be administered by a director who shall be appointed by the dean of the college of agriculture and life sciences of Iowa state university of science and technology.

4. The center shall facilitate collaboration among appropriate institutions of higher education governed by the state board of regents, including but not limited to

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institutes, departments, and centers.

5. Any information collected or received by the center that identifies a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record under section 22.7.

Sec. ____ . NEW SECTION. **466B.48 Iowa nutrient research center advisory council — establishment and purpose.**

1. The state board of regents shall establish and maintain in Ames as part of Iowa state university of science and technology an Iowa nutrient research center advisory council.

2. The council shall consist of the following members:

a. The dean of the college of agriculture and life sciences of Iowa state university of science and technology, or the dean's designee.

b. The director of the Iowa state university of science and technology extension service, or the director's designee.

c. A representative of the IIHR — hydroscience and engineering within the college of engineering of the university of Iowa who shall be appointed by the president of the university.

d. A person knowledgeable in an area related to nutrient research who shall be appointed by the president of the university of northern Iowa.

e. A person knowledgeable in an area related to nutrient research who shall be appointed by the state association of private colleges and universities.

f. The secretary of agriculture or the secretary's designee.

g. The administrative director of the soil conservation division of the department of agriculture and land stewardship as provided in chapter 161A, or the administrative director's designee.

h. The director of the department of natural resources, or the director's designee.

3. *a.* An appointed or designated member of the council

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shall serve at the pleasure of the person making the appointment or designation.

b. A majority of the members of the council as provided in subsection 2 constitutes a quorum. Any action taken by the council must be adopted by the affirmative vote of a majority of its members present, except that a lesser number may adjourn a meeting. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose.

c. The council shall elect a chairperson and any other officers from the membership of the council as the council determines necessary. An officer shall serve for a term required by rules adopted by the council. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the council.

d. The council shall adopt rules that it determines are necessary for the conduct of business.

e. Only the member appointed by the state association of private colleges and universities is eligible for reimbursement of actual expenses as provided in section 7E.6. However, no member is eligible for a payment of a per diem.

4. The council shall function on a continuing basis for the study, and recommendation of solutions for consideration by the Iowa nutrient research center in carrying out its purpose as provided in section 466B.47.>

21. By striking page 24, line 40, through page 25, line 29.

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22. By renumbering, redesignating, and correcting internal references as necessary.

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

DENNIS H. BLACK, CHAIRPERSON

JACK DRAKE, CHAIRPERSON

DICK L. DEARDEN

BRUCE BEARINGER

MARY JO WILHELM

PAT GRASSLEY

JARAD KLEIN

PATTI RUFF